

EXHIBIT 119

Message

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Sent: 4/8/2013 3:59:25 PM
To: Tolva, Jeffrey [jeffrey.tolva@walgreens.com]
Subject: New Hire Docs
Attachments: Pharmacy Integrity Organization Chart.pptx; DEA som_job_aid_2013_01_04 (FINAL).pdf; Parameters of SOM.docx; SOM PPT.pptx; SOM Process Flow Document Jan 2013 - mayur edits.docx

Please review these document when you have a chance.

Be Well,
Steve

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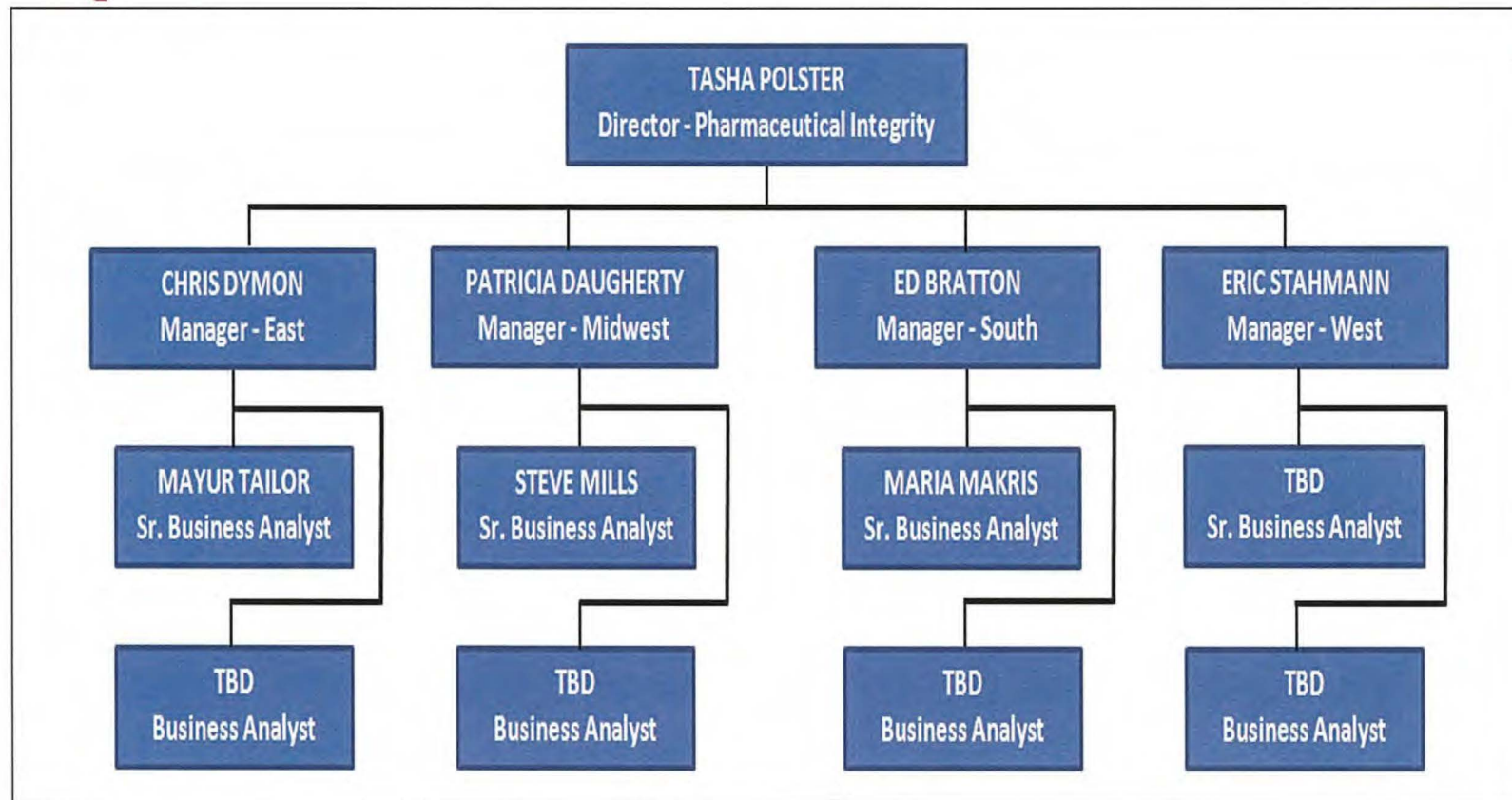
Every day I help people **get, stay and live well.**

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Pharmaceutical Integrity Group



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Suspicious Order Monitoring Program Policy and Procedures for the Pharmaceutical Integrity Team

This **policy** and specific **procedures** govern how controlled substance orders are processed and what steps are taken by the Pharmaceutical Integrity team to investigate orders of interest in the Controlled Substance Order Monitoring system (CSOM).

Overview

Walgreens Distribution Centers (DCs) *must* take reasonable measures to identify its customers, understand the normal and expected transactions conducted by those customers, and identify transactions involving controlled substances that are suspicious in nature. For the purpose of this document, a DC "customer" is an individual Walgreen pharmacy. Orders must be assessed to ensure that quantities of controlled substances ordered by a specific location are reasonable. In making these assessments, the DC may consider the pharmacy's clinical business needs, location, and population served. Walgreens **must report** to the DEA any order that is determined to be suspicious.

How to Identify Normal, Expected Transactions

The following elements allow the Pharmaceutical Integrity team to understand and identify normal and expected transactions, which assists in identifying potentially suspicious transactions.

- **Accumulation of Receipts over time period:** The CSOM accumulates the amount of each controlled substance over a specified limitation period (i.e. over the last six weeks).
- **Ceiling Limit:** Data mining is done across Walgreens retail pharmacies to determine the maximum amount that a pharmacy should be allowed to receive in a rolling six week time period, based on statistical linear regression. The analysis compares like pharmacies across the country based on prescription volume and determines, by drug, an amount that would represent an unusual quantity.

Factors for Assessing all Orders to Determine Whether the Transaction is Reasonable

The following elements allow the Pharmaceutical Integrity team to assess all orders for controlled substances to determine whether the transaction is reasonable. This analysis is done for all controlled substance orders regardless of quantity.

- **Available to Order:** The pharmacy is allowed to order the quantity that is left "open," which is the ceiling limit, set through the analytical technique identified above, minus any accumulation of receipts over the six weeks along with any currently open orders that are in the supply pipeline. For example, if the pharmacy has a ceiling limit for Drug X of 10,000 dosage units, an accumulation of 5,000 dosage units, and 1,000 dosage units on order, the amount available to order is 4,000 (10,000-(5,000+1,000)).
- **Central Monitoring and Control Dashboard:** The Pharmaceutical Integrity team is able to centrally monitor when a particular pharmacy is approaching a percentage of their ceiling limit (e.g. 75%) for any selected controlled substance as an early warning system to alert the corporate team of a potential concern. The team can then contact the pharmacy to determine if there is a concern or if the demand is justifiable.
- **Tolerance Limits:** Tolerance limits are in place to identify any unusual activity on an order-by-order basis to ensure that no individual order exceeds a given statistical limit. This calculation is based on that pharmacy's past order history.

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Reporting to DEA and State Agencies

Reporting is required to DEA and the applicable state agency when a transaction takes place that involves an extraordinary quantity of a controlled substance. The processes and policies put in place by Walgreens prevent any shipments from occurring that involve an extraordinary quantity; however, should any such order take place, it must be investigated to determine whether it is suspicious. If during the process the 'order of interest' is determined to be valid, documentation is required before the ceiling limit can be increased and additional orders can be shipped. If during the course of the investigation the order is deemed suspicious, the order is not shipped and it is reported to DEA and the state agency, if applicable.

In the event that a pharmacy requests that an order be shipped which exceeds the ceiling or tolerance limit, the Pharmaceutical Integrity team considers clinical business needs, location, and population served, in addition to other factors, prior to approving the order.

Using the Central Monitoring and Control Dashboard for Controlled Substance Order Monitoring

Process Overview

- Dedicated analysts investigate any order deemed an "order of interest." After investigation, any order of interest deemed suspicious will be reported to DEA.
- Pharmaceutical Integrity analysts are assigned specific markets so that the market is viewed in its entirety, as well as at the district, store and individual order level.
- Managers provide process and analytical support as needed.
- Each market is analyzed using the CSOM. The CSOM systematically highlights orders approaching tolerance and/or ceilings so that analysts can investigate the appropriateness of these orders.
- Analysts are able to drill down into the store ordering system to further evaluate the appropriateness of these orders.
- Analysts communicate with Pharmacy Supervisors to further understand the appropriateness of these orders, e.g. stores that support hospice centers, oncology centers, etc.
- Loss Prevention and Senior Management are involved as needed for escalations.

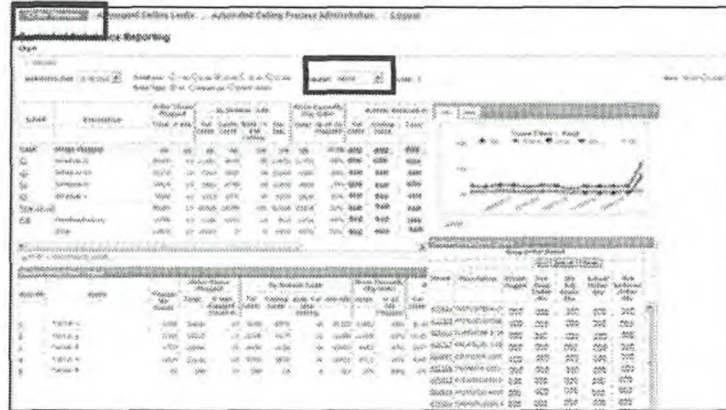
Process Steps

Use the following steps to access the system to identify orders of interest.

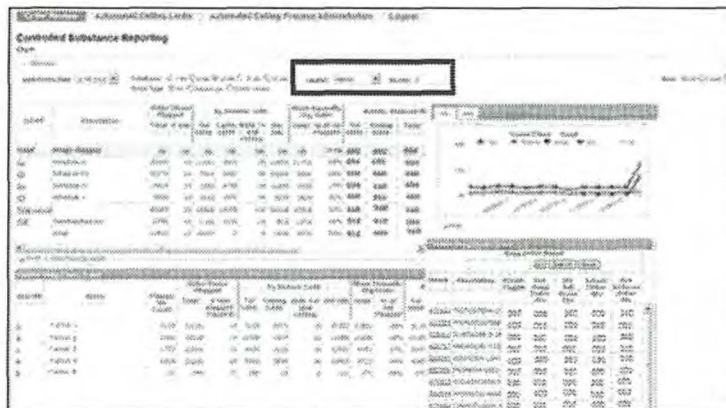
- To access the CSOM, type "CSOKPI" in your web browser; save it to your favorites for future use.
- Sign in with your authenticator.
- Use the screen shots below to guide you through the process of reviewing orders.

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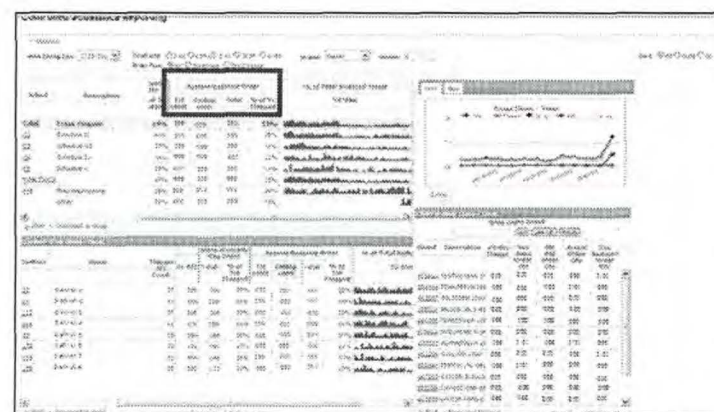
1. From the Order Review home screen, use the Location drop down to choose **Market**.



2. Enter the Market number and press enter.

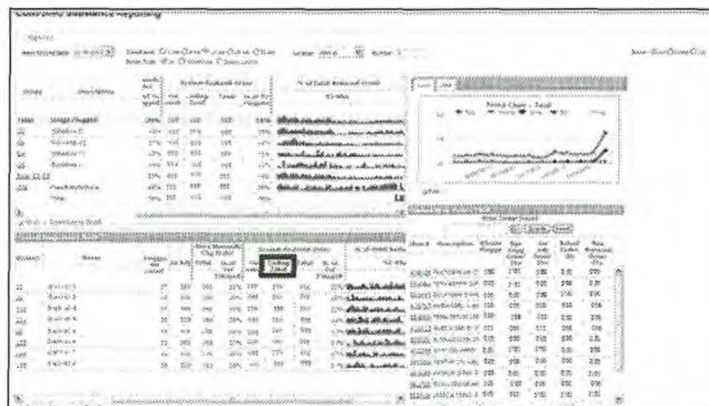


3. Scroll over in the top pane to view the number of System Reduced orders in this market.
 - The bottom left pane shows the list of districts in this market.
 - The bottom right pane shows the list of drugs ordered in this market.

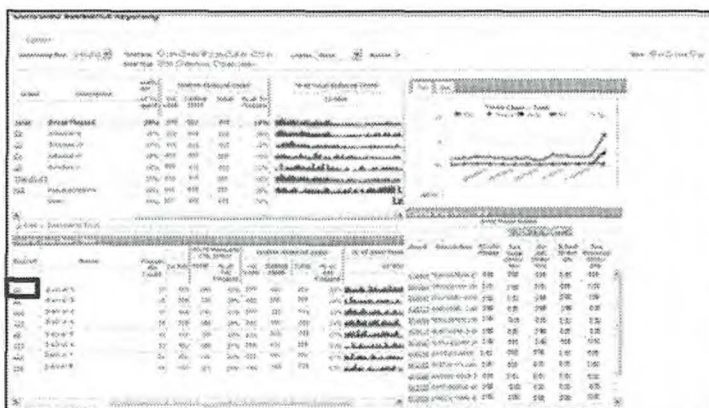


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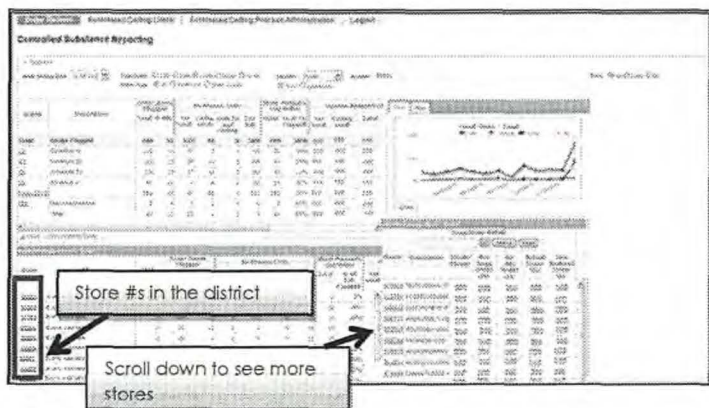
4. Click the Ceiling Limit box in the System Reduced Order in the bottom left pane to see the rank order of districts within a market (most reduced, in descending order.)



5. To view more details for a particular district, click the district number.

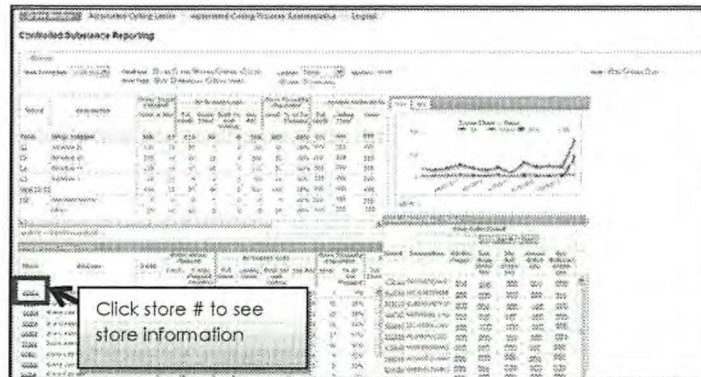


6. The system displays all stores in this district. All panes show data for this district only.

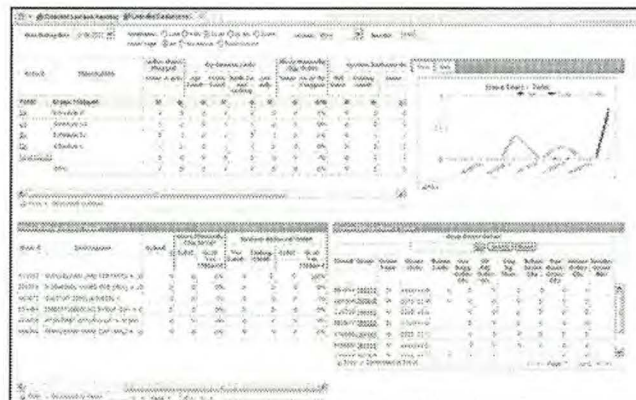


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7. Click the Ceiling Limit box in the System Reduced Order in the bottom left pane to see the rank order of stores within a District. To see entries with a value other than 0 in the Ceiling Limit column for a specific store, click the store number.



8. Now all panes display specific data for the store you selected. Analyze the data by focusing on System Reduced Order(s) reduced for ceiling limit.

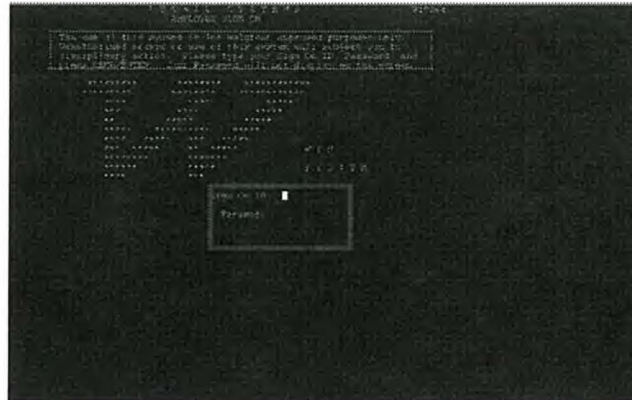


9. To evaluate each order, launch the application that connects to the Walgreens stores Strategic Inventory Management System (SIMS) on the store AS/400 server and enter the store number in the Host field.

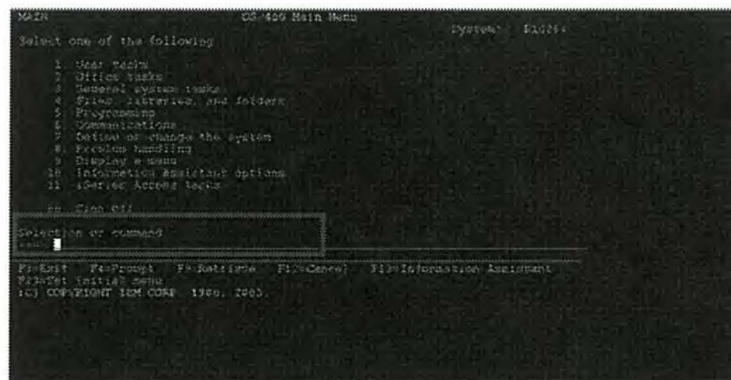


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10. You are now connected to SIMS. Log in with your corporate sign-on.



11. Type **Call ORCO400** on the selection or command line to access the store's SIMS Support screens.



12. To view the order history of the item, query SIMS by entering any of the following for the item:

- **WIC:** Walgreens Item Code
- **UPC:** Universal Product Code
- **PLN:** Planogram Link Number, an inventory control number

and press enter.



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13. This displays the current open order. You can analyze the results of the previous query.

- Press **F16** to view historical orders for this item.
- Other function keys and selections drill down into more details about how and why the order was derived. Note that all details are not specific to Rx or controlled substances.



14. If, after using your professional judgment and pharmacy operations experience, you believe this order needs further investigation, email the Pharmacy Supervisor from the Pharmacy Integrity mailbox, using this email template.
- Remember to work all appropriate drugs into one email.
 - Please add your initials only to your email.
 - List store number in tracker.

Pharmacy Supervisor,

Store (xxxxx) has been flagged by Walgreens Rx integrity for higher orders of interest on WIC: (xxxxxx) item: (any controlled substance). The Walgreens DC will not fill any orders going forward unless the following information can be ascertained.

- o What steps is the store taking to ensure Good Faith Dispensing?
- o When was the last store visit performed by District Supervision?
- o Provide a detailed explanation (+/-) of any adjustments made in SIMS?
- o What is the percentage of 3rd party sales to cash on (insert controlled substance)?
- o Are there any unusual geographical distances between patient, pharmacy, and prescriber that cannot be reasonably explained?
- o Is there a noticeable trend in controlled substance prescribing by one prescriber or for a large number of patients?
- o Provide the Top 5 prescribers in the area prescribing (insert controlled substance).

The information mentioned above should be provided to us within the next 48 hours so we may process these orders in a timely matter.

Thank you,
Pharmacy Integrity Analyst

15. After you have completed the process for one drug, move to the next on the list for the market you are reviewing.
16. After completing all drugs, move to the next market.

17. Evaluate the response from the Pharmacy Supervisor using these points:
 - If the survey is incomplete, reply to the Pharmacy Supervisor for additional information.
 - If the survey is complete:
 - Is there a legitimate reason for exceeding the ceiling limit?
 - Examples of legitimate reasons for an increase in the ceiling limit include:
 - ✓ Oncology site
 - ✓ Hospice site
 - ✓ Recent buy-out or closure of a competitor
 - ✓ Patient has insurance change leading to transfer to Walgreens
 - ✓ New medical center (ER) in area
 - ✓ Change in state or third party formulary, drug shortage, etc.
 - If, in your professional judgment, the pharmacy warrants a change in the ceiling limit, forward suggested changes to your manager.
 - Are the reasons provided inadequate?
 - Examples of potentially inadequate reasons for surpassing the ceiling limit include:
 - ✓ Favored drug of a particular prescriber
 - ✓ New pain clinic in the area
 - ✓ Good Faith Dispensing practices at the store are inadequate
 - ✓ Multiple patients with the same prescriber
 - ✓ Patients with multiple prescribers for the same prescription
 - If, in your professional judgment, the order is confirmed to be suspicious, prepare the fax template as shown below to review with your manager before faxing it to the DEA and state agency, if appropriate.

[illegible]

Suspicious Order Monitoring Program

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18. Escalations

- Use your professional judgment and pharmacy operations experience when reviewing orders.
- You should escalate:
 - Unusual trends in the historical data
 - Patterns in drug families in certain markets and communities
- Escalate these instances and any questions that are not covered in these policies and procedures to your manager.
- Loss Prevention and Senior Management will be involved as needed for escalations.
 - Note that escalations may lead to policy re-education, other store level training, Loss Prevention investigations, and disciplinary action, when appropriate.

Parameters for a Suspicious Order

This document defines the parameters used by Pharmaceutical Integrity Team to deem an order suspicious after it has been identified as an order of interest via the Controlled Substance Order Monitoring system (CSOM).

Overview

Walgreens must report to the DEA any order that is determined to be suspicious. The Pharmaceutical Integrity team investigates orders of interest and evaluates specific criteria in order to determine that an order is suspicious.

Objective Criteria

The Rx Integrity team uses the Controlled Substance Order Monitoring system (CSOM) to identify orders of interest. While there are a number of variables that may lead a team member to consider an order of interest as suspicious, many of these variables are subjective and not easily measurable. The following are measurable criteria to classify a suspicious order.

- If a store has made inventory adjustments that deviates two package sizes (positive or negative) anytime in the last 13 weeks, the order is automatically flagged as a suspicious. ("Black and White")
- If a store has created three or more manual orders in the last 13 weeks that violate the ceiling and/or tolerance, the order is automatically flagged as a suspicious order. ("Black and White")
- If a store has manually changed three or more orders in the last 13 weeks, that violate the ceiling and/or tolerance, the order is automatically flagged as a suspicious order. ("Black and White")
- If a store creates a manual order and has not purchased the item in the last 13 weeks, then a questionnaire will be sent to the Pharmacy Manager to provide a detailed response for the need of product. ("Gray Area")
- If a store creates a manual order and exceeds the ceiling and/or tolerance then a questionnaire will be sent to the Pharmacy Manager to provide a detailed response for the need of product. ("Gray Area")
- If a store creates a manual order and **does not** exceed two or more package sizes, does not exceed ceiling and/or tolerance, and does not have any inventory adjustments over the last 13 weeks (positive or negative), then the order will be released. No further investigation will be required. ("Black and White")

Commented [SPM1]: Here are the ideas I came up with.

Commented [SPM2]: Here are the ideas I came up with.

Parameters for a Suspicious Order

- If a store creates a manual order and **exceeds** two or more package sizes, does not exceed ceiling and/or tolerance, and does not have any inventory adjustments over the last 13 weeks (positive or negative), then a questionnaire will be sent to the Pharmacy Manager to provide a detailed response for the need of product. ("Black and White")

Subjective Criteria

In addition to the criteria above, the Rx Integrity team will exercise professional judgment in identifying a suspicious order. The following are items that may be factored into a determination of a suspicious order.

Community Complexion:

- Pharmacy services hospice or oncology center
- Seasonal health trends (ex. seasonal influenza) as validated by CDC reporting
- Recent competitor pharmacy closing or file buy/acquisition
- Nearby pain clinic
- Known trends and drugs of interest by specific area or region
- New patient(s) or prescription(s)

Process Flow to Identify and Evaluate Orders of Interest

This process flow shows how the Pharmaceutical Integrity team investigates orders of interest in the Controlled Substance Order Monitoring system (CSOM).

Overview

The Walgreens Rx Integrity Team takes reasonable measures to identify its customers (Walgreen Drug Stores), understand the normal and expected transactions conducted by those customers, and identify transactions involving controlled substances that are suspicious in nature. Orders must be assessed to ensure that quantities of controlled substances ordered by a specific location are reasonable. In making these assessments, the Rx Integrity Team may consider the pharmacy's clinical business needs, location, and population served. Walgreens must report to the DEA any order that is determined to be suspicious.

How Rx Integrity Investigates Orders of Interest

The Rx Integrity team uses the Controlled Substance Order Monitoring system (CSOM) to identify orders of interest.

- CSOM will be referred to as CSOKPI for this process flow document.
- An analyst will review orders and make a professional judgment in fulfilling a legitimate order and in reporting a suspicious order.
- Throughout the investigation, information is gathered to support the decision making process as outlined below.

How to Identify and Evaluate Orders of Interest

Launch Internet Explorer:

- Start menu >> Double click on Internet Explorer

Access CSOKPI:

- From the address bar in Internet Explorer type in "CSOKPI"
- Use your Walgreens Authenticator to log-in to the application

Understanding the CSOKPI Dashboard:

- The order review screen is the default home screen of the dashboard
 - Orders displayed on this screen are updated daily. ~~weekly~~.

Sorting the Dashboard:

- Under the "Order Review" tab, select "Daily Orders" from the drop-down menu ~~use the Location drop-down menu to sort by Market~~
- Select date range from the "order release date" on the top right
 - once the correct date range is selected, the table below will show orders from the selected date range

Process Flow to Identify and Evaluate Orders of Interest

- ~~Enter a Walgreens Market Number~~
 - ~~Walgreens Markets divide the US into 35 regions~~
 - ~~Once a Market is entered, the districts in region will be displayed~~
- ~~Click on the "Download to Excel" option (bottom left) to export the list of daily orders to Excel~~
- ~~Using the bottom scroll slide to sort the dashboard by "Ceiling" under the System Reduced Orders~~
 - ~~Ceiling Reduced Orders displays the highest number of cut orders per district~~
- ~~Once downloaded, sort data following these steps~~
 - ~~Sort by "change by user" sub-tab~~
 - ~~Sort by "system suggested order quantity" sub-tab~~
 - ~~Sort by "actual order quantity" sub-tab~~
- ~~Select the district with the highest system reduced orders to start and work your way down till a market is completed~~
 - ~~After selecting the highest district the stores with highest reduced orders will be displayed.~~
- ~~Once sorting is complete, filter data following these steps~~
 - ~~filter "system suggested order quantity" to zero limit~~
 - ~~filter "actual order quantity" to zero limit~~
- ~~Display the highest number of reduced orders per store by sorting the "Ceiling"~~
- ~~Investigate in SIMS all orders which were manually manipulated including sending an email to the pharmacy manager and supervisor of the pertaining pharmacy~~
- ~~After selecting the highest store within the district all of the orders that correspond will be displayed~~

Using the AS/400 to Access a Particular Store:

- Launch the 5250 module program
 - Start Menu >> 5250 Module
- Once the program has loaded, select connect from the menu bar
 - The connect to screen will automatically load on the screen
- Enter R and the 5 digit store number to access a particular store then select "OK"
 - "R" stands for remote access
- Now you are connected to the stores Strategic Inventory Management System (SIMS) box
 - Use the Corporate log-on to access a stores SIMS
 - Username: APLSUP Password: U2GO2WAG
- Use the "Call ORCO400" file to access the orders placed in SIMS

Using SIMS to Investigate:

- On the home screen enter a WIC (Walgreens Identifier Code), UPC (Universal Packaging Code), or PLN (Plano-Linked Number) and select enter
- Using the F16 = HIST (shift F4) button we can first identify any trends

Process Flow to Identify and Evaluate Orders of Interest

- Trends we would see on F16 screen would include order history suggested vs ordered. Looking to see how many times a user has gone in a manipulated a suggested order or see how many manual orders were placed at the store.
- To investigate further from the F16 screen select "A" = Audit on the line in front of order in question.
 - From the audit screen a user can see the date/time stamp of when the SIMS suggested as well as the date/time stamp and user name who manipulated the order at the store level.
- To exit these screens hit F3 = Exit
- Hit the F6 = View screen to show Item details during the investigation.
 - Displayed on this screen would be all of the same information a user at the store level would see, Item Description, Item Department, WIC, UPC, Current Inventory On-Hand, etc.
- Diving deeper hit F6 = Inventory
 - Inventory screen displays Sales and Receipts totals from the last rolling 13 weeks. Also last sold, last received, last adjusted, and last claim dates are displayed on this screen.
- Hit the F15 = Item Movement screen to display sales, receipts, claims, adjustments, and order changes made by the store over the last rolling 13 weeks.
 - Using this screen can be useful to identify any sales trends and use predictability to understand why a user may need to override the suggested order by manually increasing their orders
 - If the store has a lot of manually adjusted orders, higher than average sales, large negative adjustments, then the store become a "Store of Interest" and should now be escalated to the Pharmacy Supervisor (RxS).

Pharmacy Supervisor Communication:

- Use the email template to contact the Pharmacy Supervisor (RxS) for the identified "Store of Interest"
 - Getting additional information from the RXS can provide additional details of GFD, sales trends, store prescription volume, patient demographics, and local Prescriber information.
 - "Justified" response from the RXS would be a fully detailed and completed questionnaire with appropriate responses as to why the store needs additional product.
 - "Unjustified" response from the RXS would be an incomplete questionnaire, and a follow-up email should be sent back to the RXS requesting additional information in order to approve or deny any additional product.

The Ceiling Process

Product Allotment:

- Using the "Automated Ceiling Limits" screen on the CSOKPI tool, we can increase or decrease the amount of product a store is allowed for rolling 6 week period.
 - Using the RxS's "Justified" response (buyout, hospice patients, patient transfers, etc.) we can increase a stores product allotment to account for the business.

Process Flow to Identify and Evaluate Orders of Interest

- Using the RxS's "Unjustified" response (incomplete survey, popular drug prescribed by doctors in the area, large negative adjustments, higher sales than the chain average, manual adjusting orders, etc.) could be cause to lower the allotment for a store.

How to increase or decrease the ceiling limit:

- Sort by "District" from the Location dropdown menu
- Enter the district number of the store in question and allow the page to load
 - Select the drug from the right side by either sorting the "PLN" field or entering the item in the "Description" field
- Once the drug has been selected locate the store from the "Store Drug Detail" at the bottom of web page
 - Double click on the store and a new web browser will open with details related to that store and drug.
- Click the "Pen" under the Edit column in order to make a change to the stores ceiling
 - Another new web browser will open with the details needed to make a change.
- Item Ceiling Override screen will now be presented to a user
 - Changes can only be made on this screen.
 - A user can change the "Purposed % Increase" by using the slide bar or just by entering a particular percentage.
 - The user has the ability to raise or lower the ceiling based on the justified or unjustified response received from the RXS.
 - The "Purposed Ceiling Value" will auto-populate and an "Expiration Date" will have to be added by a user of when the system will deviate from the purposed increase.
 - A user will have to complete all fields (Initiated By, Title, Date, Status, and Reason Code) and the status should be defaulted to pending until a manager signs off on the request.
 - The user will alert the manager to review the pending request and reason code/comments and either "Approve or Deny" the purposed increase/decrease.
 - For either case the Manager will have to complete the remainder of the form (Approved/Denied By, Title, and change the Status).
 - If the manager agrees then the dropdown status menu should be changed to "Approved"
 - If the manager disagrees then the dropdown status menu should be changed to "Denied" and alert the user of why the purposed increase/decrease was denied.
- Once the ceiling is changed the update is feed to the stores SIMS the next business day.

As a follow-up the RXS should be contacted with the new ceiling parameters (increase/decrease) and provide any necessary explanation.

- Once completed the user will now go on the next problem store to start the process again.

Communicating an Order of Interest to the DEA

Once data from the CPSOKPI dashboard, SIMS, and Pharmacy Supervisor are reviewed, the analyst will use their professional judgment to deem the order suspicious.

Process Flow to Identify and Evaluate Orders of Interest

- The analyst will inform their manager for approval prior to communication and order cancelation.
 - If approved by the manager, the analyst fills out a DEA Suspicious Order Fax template and transmits it to the local DEA office where the store is located.
 - The order will be canceled by the analyst.
 - If denied by the manager, the analyst will then be required to provide additional data why the order is suspicious under the guidance of the manager.